

**MISSOURI COURT OF APPEALS
WESTERN DISTRICT**

**THE SCHOOL DISTRICT OF
KANSAS CITY, MISSOURI, ET AL.**

APPELLANT-RESPONDENT,

v.

**MISSOURI BOARD OF FUND
COMMISSIONERS, ET AL.,**

RESPONDENT-APPELLANT,

**MISSOURI CHARTER PUBLIC
SCHOOL ASSOCIATION, ET AL.,**

RESPONDENT-APPELLANT,

**GORDON PARKS ELEMENTARY
SCHOOL,**

RESPONDENT-APPELLANT.

DOCKET NUMBER WD74418 Consolidated with WD74500 and WD74666

DATE: August 21, 2012

Appeal From:

Cole County Circuit Court
The Honorable Jon E. Beetem, Judge

Appellate Judges:

Division Three: Victor C. Howard, Presiding Judge, James E. Welsh, Chief Judge and
Cynthia L. Martin, Judge

Attorneys:

Allan V. Hallquist and Derek T. Teeter, Kansas City, MO, for appellant-respondent.

James R. Layton and Christopher J. Quinn, St. Louis, MO, for respondent-appellant Missouri Board of Fund Commissioners, et al.

Charles W. Hatfield, Jefferson City, MO, for respondent-appellant Missouri Charter Public School Association, et al.

David L. Heinemann, Kansas City, MO, for respondent-appellant Gordon Parks Elementary School.

MISSOURI APPELLATE COURT OPINION SUMMARY

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No. WD74418 Consolidated with WD74500 and WD74666

Cole County

Before Division Three: Victor C. Howard, Presiding Judge, James E. Welsh, Chief Judge and Cynthia L. Martin, Judge

This is an appeal from the trial court's grant of summary judgment in favor of the Kansas City, Missouri School District and against several State boards and entities and several intervenor charter schools. The trial court awarded the School District a judgment for breach of contract against the State defendants; ordered a State agency to recoup money diverted to charter schools; and entered a judgment for money had and received against intervenor charter schools.

The trial court erroneously declared and applied the law in entering the aforesaid judgments, and in denying cross motions for summary judgment filed by the State and the charter schools.

**TRIAL COURT'S JUDGMENT REVERSED; JUDGMENT ENTERED IN
FAVOR OF THE STATE AND THE CHARTER SCHOOLS PURUSANT TO RULE
84.14.**

Division Three holds:

1. The trial court's conclusion that various federal court orders preclusively held that the State breached a settlement agreement entered into with the School District is not supported by a fair reading of those federal court orders.

2. In any event, the settlement agreement entered into between the State and the School District merged into the federal court order approving and incorporating the agreement, and was not an independently enforceable contract. The terms of the settlement agreement could only be

enforced by an action seeking to enforce the federal court order in which the agreement was incorporated.

3. The State's cross-motion for summary judgment seeking judgment in its favor on the School District's claim for breach of contract was erroneously denied as the School District cannot establish an essential element of a breach of contract claim--an enforceable contract.

4. The trial court had no authority to afford the School District a remedy against the State's Department of Elementary and Secondary Education (DESE) requiring it to recoup money's paid by the School District to charter schools. That ruling erroneously presupposed that the State's enactment of section 33.315 violated a federal court order and that the Supremacy Clause required the outcome, in light of a federal court order which conclusively concluded that the remedy of recoupment was not required.

5. The trial court erroneously found that DESE acted unreasonably, arbitrarily, capriciously, and in abuse of its discretion when it denied the School District's request to recoup money's paid by the School District to charter schools. The trial court failed to consider the actual findings on which DESE relied to make its determination, which findings were supported by substantial evidence and correctly declared and applied the law.

6. The trial court erroneously concluded that the School District had established all of the essential elements of a claim for money had and received. The third essential element--whether the charter school's acceptance and retention of the moneys paid by the School District was unjust--was not, and could not be, established as a matter of law. The trial court also erroneously concluded that the School District had negated the charter school's affirmative defense of voluntary payment to its claim for money had and received.

7. The trial court erroneously denied the charter school's motion for summary judgment on the claim of money had and received because the uncontested facts demonstrate that the School District cannot establish the essential element that retention of money transferred to the charter schools was unjust, and because the uncontested facts establish that the school district's transfer of money to the charter schools was voluntary, an affirmative defense.

Opinion by Cynthia L. Martin, Judge

August 21, 2012

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